

O-119-15

**TRADE MARKS ACT 1994
IN THE MATTER OF
APPLICATION NO 3055728
BY GUSTO RESTAURANTS LIMITED
TO REGISTER THE TRADE MARK**

GUSTO

IN CLASS 43

AND

**OPPOSITION THERETO (UNDER NO. 600000171)
BY
CHARLES AND TERESA WATTERS, TRADING AS GUSTO CUISINE**

BACKGROUND

1) On 15 May 2014, Gusto Restaurants Limited ('the applicant') applied to register the trade mark **GUSTO** in respect of the following services in class 43:

"Services for providing food and drink; restaurant services; bar services; cocktail lounge services; café services; coffee bar services; self-service restaurant services; snack bar services; take-away services; banqueting services; catering services; preparation of food, meals and beverages for consumption on or off the premises; restaurant reservation services; booking of restaurant seats, including online from a computer database or from the Internet; information about restaurants provided online from a computer database or from the Internet; telephone booking services in respect of restaurants; information, advisory and consultancy services in relation to the aforesaid services." (my emphasis – see later comments in paragraph 4)

2) The application was published on 15 August 2014 in the Trade Marks Journal and notice of opposition, under the fast track procedure, was subsequently filed by Charles and Teresa Watters, trading as Gusto Cuisine ('the opponents').

3) For the benefit of the opponents who are without legal representation, I will explain that opposition proceedings before the Tribunal are governed by the Trade Marks Act 1994 ('the Act'). The Act implements, inter alia, Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks ('the Directive') (as it is now). Consequently, interpretation of the Act is made on the basis of judgments of the Court of Justice of the European Union ('CJEU') and the General Court ('GC'), both with their seats in Luxembourg, as well as those of the courts in the United Kingdom. All of the judgments of the GC (previously known as the Court of First Instance) and the CJEU can be found at the following url (judgments preceded by the letter C are from the CJEU and judgments preceded by the letter T are from the GC. The former is the higher court):

<http://curia.europa.eu/juris/recherche.jsf?language=en>

Decisions of the appointed persons, who are one of the two fora for appeal from decisions of the registrar, can be found on the website of the Intellectual Property Office at the following url:

<http://www.ipo.gov.uk/t-challenge-decision-results.htm>

The other fora of appeal are the High Court of England and Wales, the High Court of Northern Ireland and the Court of Session (in Scotland). Judgments of courts in the United Kingdom can be found at the following url:

<http://www.bailii.org/>

4) The opponents claim that the application offends under section 5(2)(b) of the Act. In the notice of opposition, the opponents state that this objection is directed only to the services which I have underlined in paragraph 1 above. This is further reiterated

in the opponents' written submissions of 27 February 2015 (in lieu of a hearing) which make clear that the opponents' objection is not directed against any of the other terms in the applicant's specification. The opponents rely upon the UK Trade Mark registration ('UKTM') shown in the table below:

UKTM details	Goods and services relied upon
<p>UKTM No: 00003045957</p> <p>Gusto Cuisine</p> <p>Gùsto Cuisine</p> <p>(Series of 2 marks)</p> <p>Filing date: 08 April 2014 Date of entry in the register: 01 August 2014</p>	<p>Class 29: Prepared meals.</p> <p>Class 30: Prepared meals.</p> <p>Class 39: Transport; packaging and storage of goods.</p>

5) The trade mark relied upon by the opponents is an earlier mark in accordance with section 6 of the Act and, as it had been registered for less than five years before the date on which the applicant's mark was published in The Trade Marks Journal, it is not subject to the proof of use requirements, as per The Trade Marks (Proof of Use, etc) Regulations 2004.

6) The applicant filed a counterstatement in which it denies the ground of opposition and makes a number of points which can be summarised as follows:

- The applicant has used GUSTO since 2005 in respect of its chain of premium Italian themed restaurants and has built up a substantial reputation and goodwill in respect of the services in class 43.
- The applicant is the registered proprietor of UK trade mark registration 2463377 for GUSTO RESTAURANT AND BAR (and device) in respect of 'restaurant services, cafe services, bar services'. By virtue of the long standing use and reputation of GUSTO, the trade mark has become solely distinctive of the applicant.
- The addition of 'Cuisine' in the opponent's mark sets the respective marks apart. This is especially so given the widespread use of GUSTO in several classes, including the food and restaurant classes.
- The respective goods and services are not similar.
- The opponent's mark is relatively low in distinctiveness such that there is no likelihood of confusion.

7) Rule 6 of the Trade Marks (Fast Track Opposition)(Amendment) Rules 2013, S.I. 2013 2235, disapplies paragraphs 1-3 of Rule 20 of the Trade Mark Rules 2008, but provides that Rule 20(4) shall continue to apply. Rule 20(4) states that:

“(4) The registrar may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit.”

8) The net effect of these changes is to require parties to seek leave from the registrar in order to file evidence in fast track oppositions. No leave was sought in the instant proceedings.

9) Rule 62(5) (as amended) states that arguments in fast track proceedings shall be heard orally only if the Office requests it or if either party to the proceedings requests it and the registrar considers that oral proceedings are necessary to deal with the case justly and at proportionate cost. Otherwise written arguments will be taken. In the present case, a hearing was neither requested nor considered necessary. Only the opponents filed written submissions in lieu of a hearing. I now make this decision on the basis of the papers before me.

DECISION

10) Section 5(2)(b) of the Act provides:

“5. (2) A trade mark shall not be registered if because –

(a)

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

11) The leading authorities which guide me are from the CJEU: *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

12) The goods and services to be compared are shown in the table below:

Opponent's goods and services	Applicant's services
<p>Class 29: Prepared meals.</p> <p>Class 30: Prepared meals.</p> <p>Class 39: Transport; packaging and storage of goods.</p>	<p>Class 43: Services for providing food and drink; take-away services; catering services; preparation of food, meals and beverages for consumption on or off the premises.</p>

13) The leading authorities as regards determining similarity between goods and services are considered to be *British Sugar Plc v James Robertson & Sons Ltd* ('Treat') [1996] R.P.C. 281 and *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*

[1999] R.P.C. 117 ('*Canon*'). In the latter case, the CJEU accepted that all relevant factors should be taken into account including the nature of the goods/services, their intended purpose, their method of use and whether they are in competition with each other or are complementary. The criteria identified in the *Treat* case were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive.

14) In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

15) In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

"I should add that I see no reason to give the word "cosmetics" and "toilet preparations"... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context."

16) In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

"In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of

activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

17) On the matter of whether goods and services are complementary (one of the factors referred to in *Canon*), I bear in mind that in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, (*Boston*) the GC stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking.”

Further, in *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. ‘chicken’ against ‘transport services for chickens’. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

18) The opponent’s strongest case lies with its ‘prepared meals’ in classes 29 and 30. Whilst the nature of these goods is not the same as the applicant’s services, since goods are tangible and services are not, both will nevertheless be purchased by the general public to relieve hunger. Consequently, they have the same end users and a shared purpose. The consumer may also choose between availing themselves of the applicant’s services and purchasing one of the opponents’ ‘prepared meals’. The goods and services are, therefore, in competition. Further, the opponents’ ‘prepared meals’ are indispensable to the provision of the applicant’s services; there is a complementary relationship between them, as per *Boston*. Taking into account all of these factors, I find there to be a good degree of similarity between the opponents’ ‘prepared meals’ and all of the applicant’s services listed in the table above.

Average consumer and the purchasing process

19) It is necessary to determine who the average consumer is for the respective goods and services and the manner in which they are likely to be selected. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The*

Partnership (Trading) Limited, U Wear Limited, J Fox Limited, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

20) The average consumer of the parties’ goods and services in the present case is the general public. The opponents’ goods are generally low cost items which are likely to be purchased reasonably frequently and, as such, the degree of care and attention paid by the consumer during the purchase is likely to be, at best, at a moderate level. As for the applicant’s services, the cost of these may vary considerably. Generally speaking, I would expect a reasonable degree of attention to be afforded during the purchase of the services. All of the goods and services at issue are likely to be sought out primarily by the eye. However, I bear in mind the potential for aural use of the marks also.

Comparison of marks

21) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

It would therefore be wrong to artificially dissect the marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

22) The opponents’ earlier registration covers a series of two marks. I will make my assessment on the basis of the ‘Gusto Cuisine’ mark (without the accent over the u’). For ease of reference, the marks to be compared are:

Opponent's mark	Applicant's mark
Gusto Cuisine	GUSTO

23) Although the word 'Cuisine' in the opponents' mark is not negligible, it is wholly descriptive of the nature of the goods covered by the registration; it is the distinctive word 'Gusto' which strongly dominates the overall impression of the mark. As the applicant's mark consists solely of the word 'GUSTO', the overall impression of the mark is based solely on that word. In light of this, there is patently a very high degree of visual, aural and conceptual similarity between the marks.

Distinctive character of the earlier mark

24) The distinctive character of the earlier mark must be considered. The more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

25) As there is no evidence of use before me in the present case, I can only take into account the inherent qualities of the opponents' mark. I note that the applicant asserts that the mark is “relatively low in distinctiveness”. However, it furnishes no evidence in support of this contention. Furthermore, its reference to there being “numerous” trade marks on the register containing the word 'GUSTO' also does not assist it for the reasons given by the GC in *Zero Industry Srl v OHIM*, Case T-400/06, where it stated:

“73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word ‘zero’, it should be pointed out that the Opposition Division found, in that regard, that ‘... there are no indications as to how many of such trade marks are effectively used in the market’. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word ‘zero’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 GfK v OHIM – BUS(Online Bus) [2005] ECR II-4865, paragraph 68, and Case T-29/04 Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH) [2005] ECR II-5309, paragraph 71).”

26) Whilst the word ‘Cuisine’ is clearly non-distinctive in relation to ‘prepared meals’, the word ‘Gusto’ does not, to my mind, obviously describe or allude to the nature of the goods covered by the earlier mark. I see no reason to attribute the mark, as a whole, with anything less than a normal level of distinctiveness.

Likelihood of confusion

27) In its counterstatement, the applicant makes reference to an earlier mark registered in its name containing the word ‘GUSTO’ and to its purported use of the same word since 2005 in relation to the opposed services such that the mark ‘GUSTO’ has become solely distinctive of it. These submissions do not assist the applicant for the reasons given in Tribunal Practice Notice 4/2009, which states:

“4. The viability of such a defence was considered by Ms Anna Carboni, sitting as the Appointed Person, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.

5. Users of the Intellectual Property Office are therefore reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker’s mark, or having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker’s mark.”

28) I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors:

- the interdependency principle, whereby a lesser degree of similarity between the goods and services may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*);

- the principle that the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and;
- the factor of imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*).

29) I have found the respective goods and services to be similar to a good degree. The average consumer is the general public who are likely to pay a moderate level of attention in relation to the goods (at best) and a reasonable level of attention in relation to the services. The goods and services are likely to be the subject of a visual purchase. However, I bear in mind the potential for aural use of the marks. The marks are visually, aurally and conceptually similar to a very high degree and the earlier mark has a normal degree of distinctive character. Bearing in mind all of these factors, I consider there to be a likelihood of confusion between the marks.

The opposition succeeds.

SUMMARY

30) The application is refused in respect of the following services:

“Services for providing food and drink; take-away services; catering services; preparation of food, meals and beverages for consumption on or off the premises”

31) The application will proceed to registration in respect of the following services (which were not subject to opposition):

“Restaurant services; bar services; cocktail lounge services; café services; coffee bar services; self-service restaurant services; snack bar services; banqueting services; restaurant reservation services; booking of restaurant seats, including online from a computer database or from the Internet; information about restaurants provided online from a computer database or from the Internet; telephone booking services in respect of restaurants; information, advisory and consultancy services in relation to the aforesaid services.”

COSTS

32) As the opponents have been successful, they are entitled to a contribution towards their costs. Using the guidance in Tribunal Practice 4/2007 as a guide, but bearing in mind that the opponents have not incurred the expense of legal representation, I award costs to the same on the following basis:

Preparing and filing the notice of opposition	£100
Opposition fee	£100
Written Submissions	£100

Total

£300

33) I order Gusto Restaurants Limited to pay Charles and Teresa Watters, trading as Gusto Cuisine the sum of **£300**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 23rd day of March 2015

**Beverley Hedley
For the Registrar,
the Comptroller-General**